

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Michael Kubayanda, Chairman;
Ashley E. Poling, Vice Chairwoman;
Mark Acton;
Ann C. Fisher; and
Robert G. Taub

Change in Class of General Applicability
For Competitive Product

Docket No. CP2021-81

ORDER APPROVING CHANGES IN CLASS OF GENERAL
APPLICABILITY FOR COMPETITIVE PRODUCTS

(Issued April 14, 2021)

I. INTRODUCTION

The Postal Service proposes changes in a class of general applicability for a competitive product.¹ The changes are scheduled to become effective May 23, 2021. See Notice at 1. The Commission approves the proposed classification changes and updates the Mail Classification Schedule (MCS) to reflect the new classification. A draft of the applicable MCS changes is attached to this Order.

¹ USPS Notice of Changes in Class of General Applicability for a Competitive Product, March 26, 2021 (Notice).

II. BACKGROUND

A. The Postal Service's Notice

On March 26, 2021, in accordance with 39 C.F.R. § 3035.104, the Postal Service filed notice with the Commission concerning changes in a class of general applicability for competitive products. *Id.* The Postal Service represents that, as required by 39 C.F.R. § 3035.104(b), the Notice includes an explanation and justification for the changes, the effective date, and a schedule of the changed classification. *Id.*

Attached to the Notice is the Governors' Decision No. 21-1 reflecting the classification changes in accordance with 39 U.S.C. §§ 3632 and 3633 and 39 C.F.R. § 3035.² Governors' Decision No. 21-1 provides an analysis of the competitive products' classification changes intended to demonstrate that the changes comply with 39 U.S.C. §§ 3632 and 3633 and 39 C.F.R. part 3035. Governors' Decision No. 21-1 at 1-2.

Attached to the Governors' Decision No. 21-1 is the draft MCS language (MCS Attachment) for classification of general applicability for competitive products. The MCS Attachment shows which classification the Postal Service proposes to change in this proceeding. The proposed classification changes are summarized below.

Planned Delivery Changes for Priority Mail Express. The Governors' Decision No. 21-1 includes an overview of the Postal Service's planned classification changes eliminating the 10:30 a.m. delivery option for the Priority Mail Express product and the associated fee for that option. Notice at 1; Governors' Decision No. 21-1 at 1.

² Notice, Decision of the Governors of the United States Postal Service on Changes in Class of General Applicability for Competitive Products (Governors' Decision No. 21-1), at 1 (Governors' Decision No. 21-1). Pursuant to 39 U.S.C. § 3632(b)(2), the Postal Service is obligated to publish the Governors' Decision and record of proceedings in the *Federal Register* at least 30 days before the effective date of the new classification. The Postal Service represents that it will send the Governors' Decisions and record of proceedings to the *Federal Register* for publication. Notice at 2.

B. Procedural History

On March 29, 2021, the Commission provided notice of the Postal Service's filing, established the instant docket for consideration of the filing's consistency with applicable statutory policies and Commission regulations, appointed a Public Representative, and provided the public with an opportunity to comment.³

III. COMMENTS

The Public Representative filed comments on April 8, 2021.⁴ The Public Representative concludes that the planned changes are consistent with applicable statutory and regulatory provisions. PR Comments at 2.

No other interested party filed comments, and no party challenges the Postal Service's proposed classification changes as insufficient to meet the requirements of 39 U.S.C. § 3633 or 39 C.F.R. 3035.104.

IV. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the comments filed. Proposed changes in a class of general applicability are reviewed pursuant to 39 U.S.C. §§ 3632 and 3633 and Commission regulations under 39 C.F.R. part 3035. In pertinent part, these statutory and regulatory provisions require each competitive product to cover its attributable costs, prohibit the subsidization of competitive products by market dominant products, and require that competitive products collectively make an appropriate contribution to the recovery of the Postal Service's total institutional costs. See 39 U.S.C. § 3633(a)(1)(2)(3); 39 C.F.R. § 3035.107.

In its justification of the proposed change, filed as required under 39 C.F.R. § 3035.104, the Postal Service explains the change as part of a broader decision by the

³ Notice and Order Concerning Changes in Class of General Applicability for Competitive Products, March 29, 2021 (Order No. 5853).

⁴ Public Representative Comments, April 8, 2021 (PR Comments).

Postal Service to reposition Priority Mail Express as an end-of-day guarantee. Notice at 1-2. The Postal Service further states that it is making conforming changes to the Domestic Mail Manual to make 6:00 p.m. a uniform delivery commitment time. See *id.*

The Commission finds that the proposed change will have no material effect on potential cross-subsidization of the cost coverage of competitive products by market dominant products, nor will it have any material effect on the cost coverage of Priority Mail Express or the contribution of competitive products towards institutional costs. The Commission, therefore, concludes that the proposed classification changes to Priority Mail Express complies with 39 U.S.C. §§ 3632 and 3633 and 39 C.F.R. § 3035.

In conclusion, as set forth in this Order, the Postal Service may implement its proposed classification changes as scheduled.

V. ORDERING PARAGRAPHS

It is ordered:

1. The proposed classification changes may take effect as scheduled.
2. Revisions to the Mail Classification Schedule appear below the signature of this Order and are effective May 23, 2021.

By the Commission.

Erica A. Barker
Secretary

Domestic Products
Priority Mail Express

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part B—Competitive Products
2001 Competitive Product Descriptions

2100 Domestic Products

2105 Priority Mail Express

2105.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- ~~10:30 am Delivery~~

2105.6 Prices

~~10:30 am Delivery~~~~Add \$5.00 for requesting delivery by 10:30 am.~~
